To: Rothery, Deirdre[Rothery.Deirdre@epa.gov]

From: Jackson, Scott

Sent: Mon 3/21/2016 1:37:36 PM

Subject: FW: Call w/ Bryce Bird and Brock LeBaron on Monument Butte

FYI.

Scott Jackson, Unit Chief

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From: Daly, Carl

Sent: Thursday, March 17, 2016 5:24 PM

To: McGrath, Shaun < McGrath. Shaun@epa.gov>

Cc: Jackson, Scott < Jackson. Scott@epa.gov>; Razzazian, Christopher

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Subject: Call w/ Bryce Bird and Brock LeBaron on Monument Butte

Shaun

I had a call with Bryce Bird and Brock LeBaron with the UT Division of Air Quality this afternoon to compare notes on the Monument Butte project.

Chris Razzazian, our Air Program NEPA reviewer, joined me and Raj Rao from OAQPS also was on the call representing Steve Page.

I went over the background on EPA's discussions with BLM on the Monument Butte project and the letters to BLM from Newfield's attorneys. Brock was familiar with Newfield's letters. I explained the "Balance Sheet" approach that the NEPA Program has been discussing with BLM. Brock offered that the inventory tracking tool that UT DAQ developed could be used by BLM to show emissions decline (or growth). I responded that the UT tool may be able to be used although my understanding was that the approach we were discussing with BLM was for Newfield to track their own emissions year by year (versus the entire Basin's emissions) to allow their MB project to proceed (if their own emissions were not increasing).

Brock then also mentioned that there is some question from UT about the role of NEPA. Is it just to disclose impacts or does it require mitigation of impacts. I deferred that issue to our NEPA Program.

I noted the calls between the Governor and the Administrator. Bryce noted that he has heard that the Governor is concerned with royalty payments to the state that would decline if development is slowed on state land that is impacted by the BLM's NEPA analysis. He also added that Governor has heard that EPA is asking for mitigation that EPA wouldn't have the authority to require under the Clean Air Act. I responded that my understanding was that the approach EPA was asking BLM to consider would not require any specific mitigation (other than "applicant committed measures"), but rather the Balance Sheet approach where Newfield could find reductions from any source including existing regs (such as NSPS OOOO) and future regs (such as if we finalized a U&O FIP).

Bryce and Brock both still thought that the DEQ position was one of support regarding EPA issuing rules to control existing oil and gas sources on the U&O Reservation, but they could not speak for the Governor's office. They did not have any information regarding the potential meeting next week and noted that the Governor's energy advisor was handling that.

Carl Daly, Director

Air Program

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